Chain Store Age
EXECUTIVE
with Shopping Center Age
The newsmagazine for retail management
August 1990

THE BILLION DOLLAR CLUB

THE EXEC 100

$40.00 A YEAR (USA)

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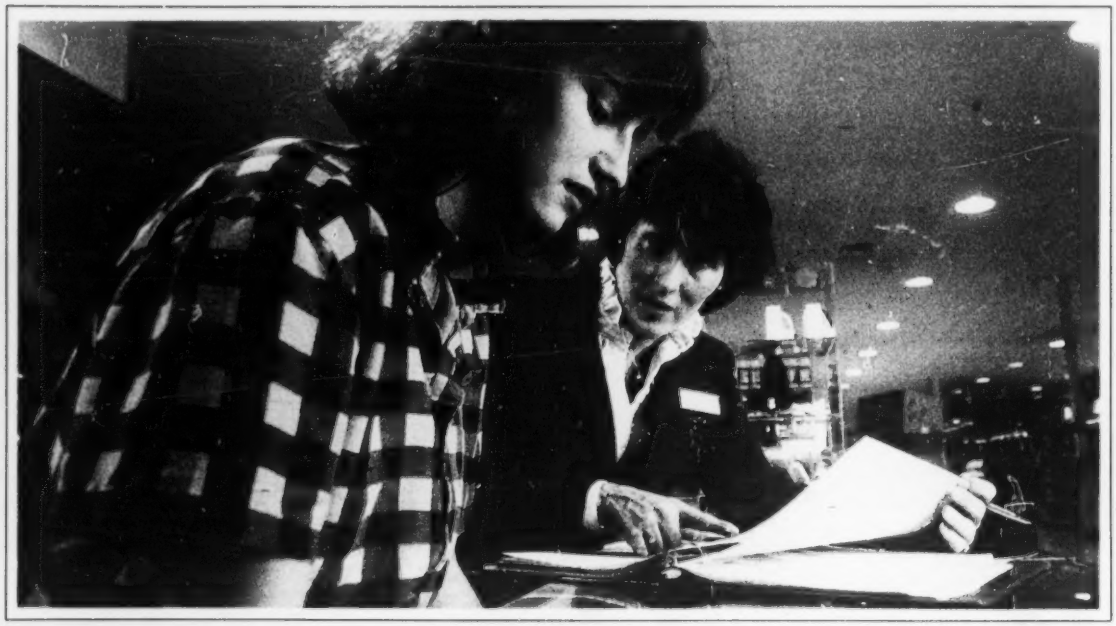

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THE BILLION DOLLAR CLUB

EXEC 100 POST BIG SALES BUT SMALLER PROFITS

One billion dollars.

A short 10 years ago Wal-Mart's sales had just edged above the billion mark for the first time. They came in at $1.2 billion. Today, the Bentonville, Ark.-based retailer's sales exceed $25.8 billion.

$1 billion.

Ten years ago, at the beginning of the last decade, 44 retailers had attained the lofty figure. Today, for the first time, each of the Exec 100 companies has amassed a retail empire that pulls in at least $1 billion in annual sales.

Yet, even as the feat is reason to celebrate the vitality of retailing, the reality of an embattled industry depresses enthusiasm for the achievement.

☐ The burden of his debt-laden purchases of Federated and Allied Department Stores finally caught up with Robert Campeau earlier this year. In mid-January the divisions filed for bankruptcy protection but not before they, along with another heavily indebted company, R.H. Macy, turned Christmas 1989 into a promotional, profit draining frenzy for much of the general merchandise industry.

☐ The giants of the convenience store segment, Southland and Circle K, are under seige. Southland's 7-Eleven stores will be bought by a Japanese retailer, while Circle-K's chairman resigned under pressure.

☐ Five of the seven discount store oriented companies in the Exec 100 recorded lower earnings this year.

☐ Although sales for the Exec 100 increased 12.3% compared to a year ago, the overall increase for retail sales is less than half that total. According to the U.S. Dept. of Commerce, Bureau of the Census, retail sales, excluding automotive dealers, increased by just 5.9% last year.

As they did a year ago, the figures demonstrate that the Exec 100, nation's largest retailers, are growing at a much faster pace than are smaller chains and independents.

That is not to say, however, that the

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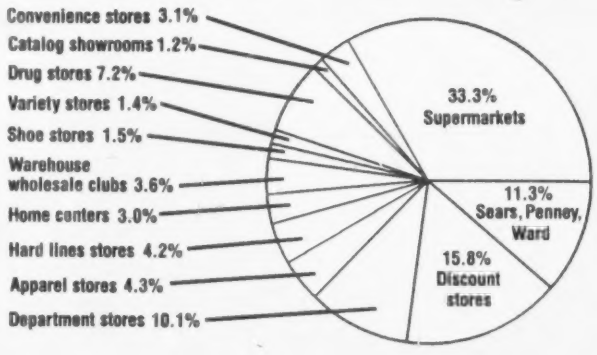
THE EXEC 100
$445,582,558,000



Source: *Chain Store Age Executive* research

Company Headquarters	1989 Sales (000)	1988 Sales (000)	1989 Profits (000)	1988 Profits (000)	Stores 1989 *1988*	Comments
1. Sears Chicago, Ill.	$31,599,200	$30,256,000	$ 646,900	$524,400	1,731 *1,649*	Specialty stores have yet to make impact on Sears. Neither has Everyday Low Pricing. Company plans 107 new specialty stores, 33 paint and hardware units, and 55 new or relocated full-size stores.
2. K mart Troy, Mich.	29,533,000	27,301,000	323,000	803,000	4,259 *4,082*	Chairman Joseph Antonini launches an aggressive and costly store expansion and renovation program. K mart continues diversification into specialty retailing with acquisition of Pace Membership Warehouse and Sports Authority.
3. Wal-Mart Bentonville, Ark.	25,810,656	20,649,001	1,075,900	837,221	1,525 *1,364*	The success story continues as Wal-Mart expands into the Northeast and California. Plans call for 165 more discount stores, more than 25 Sam's Wholesale Clubs, 2 supercenters and one hypermart this year.
4. American Stores Salt Lake City, Utah	22,004,154	18,478,354	118,129	98,251	1,894 *1,285*	Supreme Court ruling calls into question whether American will ever be able to integrate operations of Alpha Beta and Lucky Stores in California.
5. Kroger Co. Cincinnati, Ohio	19,103,671	19,053,020	(72,722)	34,522	2,190 *2,198*	One-time charge against earnings of $56.5 million from the write-off of costs related to the company's initial restructuring credit agreement contributed to the net loss for the year.
6. J. C. Penney Dallas, Tex.	16,103,000	14,833,000	802,000	807,000	1,799 *1,789*	Penney will spend about $1 billion over next five years upgrading existing stores.
7. Safeway Stores Oakland, Calif.	14,324,600	13,612,400	2,500	31,200	1,261 *1,130*	The company's average store size has been increasing steadily to accommodate an expanding assortment of sku's.
8. Dayton Hudson Minneapolis, Minn.	13,644,000	12,204,000	410,000	287,000	657 *591*	Profit increases at Target and Mervyn's give a dramatic boost to Dayton Hudson's fiscal '89 net income. Company adjusts its focus on upscale department store retailing as it spins off Lechmere and acquires Marshall Field.
9. A&P Montvale, N.J.	11,147,997	10,067,776	146,698	127,582	1,215 *1,241*	Continued strong performance from Food Emporium and Waldbaum has made A&P a powerhouse in the New York market.
10. Campeau Toronto, Canada	10,439,653	8,688,000	(1,740,000)	(34,000)	402 *394*	Though Campeau avoided bankruptcy, its Federated and Allied divisions did not, causing upheaval in the entire retail industry.
11. May St. Louis, Mo.	9,425,000	8,403,000	498,000	534,000	3,034 *2,899*	With its decision to concentrate on department stores and self-service shoe stores, May divested itself of the Venture & Caldor discount operations.
12. Winn-Dixie Stores Jacksonville, Fla.	9,151,145	9,007,707	134,545	116,694	1,229 *1,246*	The company has expanded its Everyday Low Price program to five divisions.
13. Woolworth New York, N.Y.	8,820,000	8,088,000	657,000	549,000	8,074 *7,739*	Has reorganized corporate structure to a holding company format. Formed U.S. Apparel Group to encompass Kids Mart, Little Folk Shop, Richman, Anderson-Little, Susie's and Sportelle.
14. Southland Corp. Dallas, Tex.	8,274,900	7,950,300	(1,306,900)	(216,200)	6,632 *7,414*	LBO troubles forced the company into a stock purchase agreement with Ito-Yokado, a Japanese concern.
15. Melville Rye, N.Y.	7,553,971	6,760,359	398,076	354,519	6,930 *6,540*	Record year led by CVS, Wilsons and improving Marshalls. Down notes: toys and household furnishings segments. At press time, Melville said it will buy 490-store Peoples Drug from Imasco and 330 Circus World stores from Greenman Bros.
16. Albertsons Boise, Idaho	7,422,663	6,773,061	196,551	162,545	523 *497*	Albertsons marked its entry into the Phoenix market in 1989 with the opening of three stores.
17. R.H. Macy New York, N.Y.	6,974,141	5,729,095	(53,651)	(188,160)	149 *149*	Comp store sales moved up just 1.9%. Though losses persist through this year, Macy's has announced new store projects for '91 and beyond.
18. Supermarkets General Holdings Carteret, N.J.	6,298,748	5,962,200	(76,525)	(58,900)	254 *268*	Results for the company's supermarket and drug store divisions are on the rise, but the performance of the 44-store Rickel home center division is declining.
19. Publix Super Markets Lakeland, Fla.	5,386,246	4,847,952	128,458	102,434	367 *353*	Publix invested $159.6 million in new and renovated stores in 1989. 130 stores have the latest generation of scanning systems.
20. Walgreen Co. Deerfield, Ill.	5,380,133	4,883,520	154,242	129,062	1,484 *1,416*	With new president Dan Jorndt at helm, the expansion-minded chain breaks ground on $40 million state-of-the-art distribution center and experiments with new smaller formats. Plans call for 600 new stores by 1995.

NA = Not available ( ) Loss
Source: Company reports/*Chain Store Age Executive* research

Company Headquarters	1989 Sales (000)	1988 Sales (000)	1989 Profits (000)	1988 Profits (000)	Stores 1989 *1988*	Comments
21. **Vons Cos.** **El Monte, Calif.**	$ 5,220,700	$ 3,916,600	($ 25,100)	($ 23,900)	328 *350*	Integrating more than 150 underperforming Safeway units in the Southern California market continues to be Vons' greatest challenge.
22. **Ames Dept. Stores** **Rocky Hill, Conn.**	5,065,000	3,362,865	(228,000)	47,243	690 *850*	Beset by plunging sales at ailing Zayre, Ames posted a $228 million loss for 1989 and filed for Chapter 11. The company plans to close nearly 300 stores by summer's end.
23. **Montgomery Ward** **Chicago, Ill.**	5,028,000	4,747,000	NA	139,000	333 *324*	Fourth consecutive record year of earnings, though Ward ceo Bernie Brennan declines to disclose results.
24. **Price Co.** **San Diego, Calif.**	4,901,154	4,053,440	117,035	94,753	47 *40*	With Wal-Mart's aggressive Sam's Wholesale Club breathing down its neck, Price Club continues to expand in the Northeast. Eight new stores are on tap this year.
25. **Toys "R" Us** **Paramus, N.J.**	4,787,830	4,000,192	321,080	268,024	615 *522*	Sales rose a whopping 19.7%, more than three times the comparable U.S. toy store sales of 6.7%. First stores opened in France and Taiwan.
26. **Food Lion** **Salisbury, N.C.**	4,717,066	3,815,426	139,775	112,541	663 *567*	One of the fastest growing supermarket chains in America, Food Lion plans a major foray into the Dallas market this year.
27. **The Limited** **Columbus, Ohio**	4,647,916	4,070,777	346,926	245,136	3,168 *3,381*	384 Lerner Woman/Sizes Unlimited stores sold to United Retail Group effective Apr. 30, 1989. The powerhouse has announced a goal of $10 billion in sales and 10% after-tax profits by mid-decade.
28. **Stop & Shop Cos.** **Braintree, Mass.**	4,636,031	4,624,000	(23,200)	(21,500)	246 *244*	This LBO'd company of supermarkets and discount stores sold leases to 31 former Bradlees discount stores in Virginia, North Carolina, Maryland and Delaware during 1989.
29. **Tandy** **Fort Worth, Tex.**	4,180,703	3,793,767	323,504	316,354	7,337 *7,336*	With Radio Shack store redesign and upgrade program now complete, Tandy is expected to concentrate on its name brand businesses.
30. **Ahold USA** **Parsipanny, N.J.**	4,057,000	3,514,000	101,591	146,000	342 *329*	The Dutch concern this year opened a central office in New Jersey to supervise its U.S. holdings.
31. **Circle K Corp.** **Phoenix, Ariz.**	3,493,107	2,656,722	15,414	60,411	4,685 *4,536*	Troubled company has filed for Chapter 11 bankruptcy protection and its chairman, Karl Eller, has resigned.
32. **Service Merchandise** **Nashville, Tenn.**	3,307,110	3,092,817	71,991	76,487	334 *317*	Sales are up but earnings are down due to costs incurred by a major recapitalization. The IRS is investigating two former executives of the company for tax fraud. Fifteen new stores due to open in 1990.
33. **Giant Food** **Landover, Md.**	3,248,942	2,987,154	974,129	897,748	149 *145*	Giant has ambitious plans to open 16 new food/drug stores by 1995.
34. **Eckerd Drug Stores** **Clearwater, Fla.**	3,200,000	2,900,000	NA	NA	1,630 *1,580*	Eckerd's impressive turnaround continues. Buoyed by a strong cash flow, chain expands through acquisitions. Upcoming purchase of 220 Revco units will make Eckerd the nation's second-largest drug chain.
35. **Super Valu** **Minneapolis, Minn.**	3,186,332	2,769,019	NA	NA	170 *156*	Shopko discount stores upped operating income 13% to $86.3 million, while the supermarket segments turned a disappointing $1.7 million operating profit.
36. **Rite Aid** **Shiremanstown, Pa.**	3,172,797	2,868,297	102,058	95,210	2,352 *2,270*	As president Martin Grass fights bribery charges, Rite Aid maintains position as largest drug chain and acquires Lane Drug from Peoples. Chain takes one-time $22 million write-off after pulling plug on ailing video rental departments.
37. **Pacific Enterprises** **Los Angeles, Calif.**	3,114,000	2,400,000	68,000	66,000	1,065 *1,039*	Integration of Pay 'n Save and Bi-Mart continues. Thrifty picks up pace of POS system installation and expands satellite communications network. Drug chain will add 50 new stores in 1990.
38. **Dillard** **Little Rock, Ariz.**	3,049,062	2,558,000	148,092	113,829	162 *146*	Chain will open three and remodel five stores in 1990 for a gain of 870,000 sq. ft. on a base of 23.5 million sq. ft.
39. **Costco Wholesale** **Kirkland, Wash.**	2,943,385	1,988,715	55,500	31,100	62 *50*	In a banner year, Costco records the largest sales growth of any warehouse club. The chain will open 10 new clubs this year. Look for it to enter the Northeast.
40. **Batus** **Louisville, Ky.**	2,825,000	2,643,327	NA	NA	153 *108*	Last year on the chart as British parent BAT sold off retail division to fight takeover.
41. **Meijer** **Grand Rapids, Mich.**	2,800,000	2,540,000	NA	NA	56 *52*	Meijer's brings successful hypermarket format to Ohio as brothers Doug and Hank Meijer become co-chairmen of the board. Purchase orders sent via EDI.

NA – Not available ( ) Loss

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42. Carter Hawley Hale Los Angeles, Calif.	$ 2,787,393	$ 2,617,143	$ 13,470	$ 17,660	113 *112*	Last year's San Francisco earthquake continues to plague CHH's results.
43. Home Depot Atlanta, Ga.	2,758,535	1,999,514	111,954	76,753	118 *96*	Newfound focus is the Northeast, where Home Depot plans to open 75 stores over the next five years. Capital expenditures were $205 million in 1989 compared with $105 million in 1988.
44. Penn Traffic Johnstown, Pa.	2,699,847	1,179,924	(29,151)	(8,430)	544 *154*	With the acquisitions of P&C and Big Bear and the investment in Grand Union, the company has fulfilled its objective to operate a group of autonomous, regionally-based companies.
45. Nordstrom Seattle, Wash.	2,671,114	2,327,946	114,909	123,332	59 *58*	Bloated inventories and litigation over employee wages and working conditions tarnished Nordstrom's gleaming image.
46. Lowe's North Wilkesboro, N.C.	2,650,500	2,516,900	74,900	69,200	306 *296*	Lowe's plans 26 stores this year as it shifts toward less-cyclical retail and away from declining contractor market. Lowe's added a net 1.2 million sq. ft. of selling area vs. 300,000 sq. ft. the prior year.
47. Revco Twinsburg, Ohio	2,489,985	2,700,529	(232,654)	(133,409)	1,853 *1,870*	Revco announces a bold restructuring plan as it attempts to emerge from bankruptcy. Puts 712 stores on the block. Will concentrate all its resources on building share in Mid-Atlantic and Southeast.
48. Mercantile New York, N.Y.	2,312,802	2,265,500	130,343	144,462	80 *80*	An early advocate of Quick Response, Mercantile is installing scanners and POS registers with price look-up and inventory tracking features.
49. H.E. Butt San Antonio, Tex.	2,312,000	2,300,000	NA	NA	152 *150*	Non-food represents 20% of sales for this chain, which emphasizes superstore and combo store formats.
50. Fred Meyer Portland, Ore.	2,284,535	2,073,544	(6,850)	36,661	125 *112*	Income drops from planned one-time restructuring charge of $49.3 million; labor woes and fierce competition also take their toll. Company launches ambitious environmental program and opens four large multi-department stores.
51. TJX Natick, Mass.	2,148,735	1,920,795	(78,275)	(167,815)	898 *814*	T.J. Maxx continued to expand, opening 44 new stores. Hit or Miss was hit hard during the heavily promotional fourth quarter.
52. Bruno's Birmingham, Ala.	2,134,093	1,982,269	50,235	40,741	222 *207*	The company has plans to open 30 new stores in each of fiscal 1990 and 1991.
53. Longs Drug Stores Walnut Creek, Calif.	2,110,574	1,925,451	61,294	55,858	248 *236*	Decentralized management continues to pay off as company records a 10% sales and earnings gain. Chain unveils a new smaller prototype and gets set to begin roll-out of POS system.
54. Circuit City Stores Richmond, Va.	2,096,588	1,721,497	619,086	501,927	149 *122*	Comparable store sales grew only 2% last year, due in part to new superstores feeding off existing smaller branches, and tighter credit controls, as well as leveling off in industry overall.
55. Hills Dept. Stores Canton, Mass.	2,075,603	1,670,866	5,632	14,193	208 *167*	A quiet year as company integrates 33 former Gold Circle stores into its operation. Acceptance of consumer credit cards enthusiastically received. New store prototype (Expo 91) under development.
56. Waban Natick, Mass.	2,056,512	1,652,481	28,765	17,222	81 *68*	Record year for Waban, formed as offshoot of Zayre's restructuring. Sales near the $1 billion mark at BJ's while HomeClub sales exceed $1 billion.
57. Best Products Richmond, Va.	2,055,000	2,048,000	NA	NA	194 *194*	Catalog showroom company is getting set to debut its first new store in three years in Houston.
58. U.S. Shoe Cincinnati, Ohio	2,039,800	1,820,300	49,187	12,965	2,535 *2,512*	Petite Sophisticate will be expanded on an accelerated schedule, while Lenscrafters should open 100 stores this year.
59. Belk Charlotte, N.C.	2,010,000	1,905,000	NA	NA	355 *340*	Troubled department store retailers in the Southeast help make Belk a stronger competitor.

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60. Payless Cashways Kansas City, Mo.	$ 2,004,000 —	$ 1,900,000	NA	NA	195 *195*	Commercial sales offices added to all stores, with a separate entrance, as focus shifts toward professional customer. Operates under Payless Cashways, Somerville Lumber, Knox and Lumberjack names.
61. Giant Eagle Pittsburgh, Pa.	1,850,000	1,600,000	NA	NA	130 *120*	This sleeping giant, Pittsburgh's market share leader, is believed to be setting its sights on a major acquisition.
62. Hy-Vee Food Stores Chariton, Iowa	1,850,000	1,475,000	NA	NA	220 *148*	Heartland chain gives its store managers unusual authority. Their pay is entirely on a commmission basis.
63. Smith's Food & Drug Salt Lake City, Utah	1,731,559	1,393,091	$ 26,131	$ 17,699	98 *91*	Almost a quarter of this company's sales are in non-food.
64. Hook-SupeRx Cincinnati, Ohio	1,730,000	1,280,000	NA	NA	1,083 *1,071*	Steadily improving Brooks division boosts chain's overall performance. Chain expands in the Chicago market.
65. Pace Aurora, Colo.	1,710,000	1,270,535	NA	9,421	47 *39*	Pace, bought by K mart in 1989, merged with the Makro division earlier this year.
66. Caldor Norwalk, Conn.	1,651,000	1,574,000	NA	NA	118 *119*	Acquired by a New York investment group from May Co. in a $552 million LBO last August. New management has embarked on aggressive store remodeling program. Look for a more fashion-forward image.
67. Dominick's Finer Foods Northlake, Ill.	1,650,000	1,500,000	NA	NA	95 *90*	Chicago market leader now has a satellite-transmitted in-store audio marketing program in all of its stores.
68. The Gap San Bruno, Calif.	1,586,596	1,252,097	97,628	74,231	960 *900*	Profits negatively affected by closing Hemisphere stores. Banana Republic continues to lag. New stores for Gap and GapKids will be larger.
69. Hannaford Bros. Scarborough, Me.	1,520,600	1,261,668	39,302	28,949	118 *108*	This was the 27th straight year sales have increased for northern New England's largest supermarket chain which also operates Wellby Super Drug Stores.
70. Rose's Henderson, N.C.	1,507,560	1,439,279	8,926	16,356	259 *250*	Declining profits make for some rough going at 75 year-old Rose's. Company goes on tight budget to reduce operating expenses. New prototype, more contemporary-looking and 25% larger than traditional Rose's stores, has successful debut.
71. Shaw's Supermarkets East Bridgewater, Mass.	1,500,000	1,300,000	NA	NA	64 *61*	The venerable New England chain is now using EDI to transmit purchase orders.
72. Neiman Marcus Group Chestnut Hill, Mass.	1,467,504	1,223,162	25,258	4,938	251 *244*	Contempo Casuals returned to profitability, while Bergdorf Goodman gained and Neiman Marcus had a slight increase.
73. McCrory York, Pa.	1,382,300	1,400,200	(157,900)	2,700	1,063 *1,240*	Unanticipated markdowns and heavy inventories threw McCrory into the red.
74. Sherwin Williams Cleveland, Ohio	1,346,000	1,250,000	91,000	70,000	1,896 *1,865*	A new POS system will be up and running in all stores by year-end. Watch for greater TV advertising in coming months.
75. Venture O'Fallon, Mo.	1,339,000	1,279,000	NA	NA	75 *73*	May is cutting the cord with the Midwest discount chain that finds itself encircled by Target, Wal-Mart and K mart.
76. Phar-Mor Youngstown, Ohio	1,300,000	800,000	NA	NA	165 *114*	Fast-growing Phar-Mor entered new markets of Detroit, Phoenix and Denver this past year. Deep-discounter will continue to beef up store base with 65 new stores this year. Look for chain to make a major thrust in the West.
77. Petrie Stores Secaucus, N.J.	1,257,522	1,218,341	32,265	92,182	1,569 *1,584*	Company continuing to implement private credit card. Profits rose in fourth quarter despite heavily promotional Christmas season. 1988 profits figure includes extraordinary item of $57,100.
78. Emro Marketing Springfield, Ohio	1,250,000	1,200,000	NA	NA	1,682 *1,088*	Owned by Marathon Oil, company has service delis in 500 stores.

NA = Not available ( ) Loss

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Company Headquarters	1989 Sales (000)	1988 Sales (000)	1989 Profits (000)	1988 Profits (000)	Stores 1989 *1988*	Comments
79. PA Bergners Milwaukee, Wis.	$ 1,240,000	$ 492,000	NA	NA	66 *34*	Bergners capitalized on Carson Pirie Scott buyout to jump into Chicago and Minneapolis metro markets.
80. Weis Markets Sunbury, Pa.	1,239,272	1,189,236	$ 86,429	$ 82,624	120 *117*	Many of this company's 1,500 private label products are supplied by its own manufacturing and processing plants.
81. Hechinger Landover, Md.	1,229,572	1,019,399	34,189	48,816	107 *92*	Earnings declined for the first time since it went public in 1972. Plans are to use warehouse subsidiary, Home Quarters Warehouse, as the main focus of future expansion, geared toward Northeastern markets.
82. Raley's Sacramento, Calif.	1,200,000	1,000,000	NA	NA	56 *54*	This company has plans to build a dry grocery warehouse in a joint venture with Save Mart in 1991.
83. Furr's Lubbock, Tex.	1,200,000	1,200,000	NA	NA	141 *144*	Strong Texas operator, known for its Hispanic merchandising, has ATM machines in 20 stores.
84. Barnes & Noble/B.Dalton New York, N.Y.	1,200,000	1,100,000	NA	NA	1,200 *1,100*	Still topping K mart's Waldenbooks, despite fewer stores.
85. Cullum Cos. Dallas, Tex.	1,189,522	1,189,000	NA	NA	59 *69*	A frequent shopper program, called Promise Club, has successfully overcome customer resistance to EFT at the point of sale.
86. Stater Bros. Colton, Calif.	1,100,000	1,000,000	NA	NA	101 *101*	Supermarket chain opened a produce and delicatessan distribution center.
87. Riser Foods Bedford Heights, Ohio	1,083,130	1,111,065	(12,728)	(5,886)	50 *57*	Litigation expenses of $5.7 million contributed to losses for the year. Settlement of the litigation, which had been brought against Riser subsidiaries prior to their merger, was favorable to the company.
88. Brown Group St. Louis, Mo.	1,074,123	972,742	33,827	8,283	4,294 *4,209*	Sales in some divisions were hurt by the Campeau problems. 1988 profits were affected by discontinued divisions.
89. Edison Bros. St. Louis, Mo.	1,073,500	918,600	56,900	36,300	2,327 *2,347*	Total store count declined despite purchase of 225 Foxmoor stores from Dylex. Company also acquired nine Midwest Rothschild's Big and Tall stores. Company expects to close about 100 stores in 1990, while opening 300.
90. Nat'l Convenience Stores Houston, Tex.	1,072,507	914,980	(8,858)	6,754	1,142 *1,119*	The company has installed slot scanners in 200 stores across major markets.
91. Tops Markets Buffalo, N.Y.	1,070,000	882,000	NA	NA	144 *148*	Tops accepts Visa and MasterCard and will soon institute its own debit card.
92. Harris Teeter Charlotte, N.C.	1,053,467	894,035	27,444	21,102	128 *123*	The company has been conducting a major remodeling program to make stores modern and appealing.
93. Grossman's Braintree, Mass.	1,052,095	1,141,602	17,644	13,235	157 *248*	Paring back store operations is part of Grossman's plan to improve profitability.
94. Schnuck Markets Bridgeton, Mo.	1,050,000	1,000,000	NA	NA	57 *59*	Schnuck is a leader in using space management software to boost sales.
95. Wegman's Food Markets Rochester, N.Y.	1,050,000	1,000,000	NA	NA	42 *40*	Wegman's had made-in-store ATMs a profit center, and is a leader in using EFT at the point of sale.
96. Imasco Ltd. Montreal, Canada	1,020,100	1,497,500	6,800	(6,600)	490 *829*	At press time, Melville announced it will acquire Peoples in an all-cash deal valued at $330 million. Chain will keep its name and operate as a unit within CVS.
97. Eagle Food Centers Milan, Ill.	1,000,000	NA	NA	NA	106 *106*	The LBO'd chain uses EDI and scanning in its stores.
98. Pueblo International Pompano Peach, Fla.	1,000,000	950,000	5	(11)	50 *50*	Loss in 1988 was result of retirement of LBO debt.
99. Hughes Markets Los Angeles, Calif.	1,000,000	715,000	NA	NA	48 *46*	Hughes is the largest privately-held chain in Southern California.
100. Wickes Lumber Vernon Hills, Ill.	1,000,000	1,100,000	NA	NA	190 *210*	In first six months of 1990, chain shuttered another five units, lowering store count to 185 as it continues to eliminate unprofitable stores in the wake of its 1988 LBO.

NA = Not available ( ) Loss

Source: Company reports/*Chain Store Age Executive* research

biggest among them are necessarily more efficient, either at generating sales or at converting sales dollars into profits. The top 10 companies upped their sales by 10.6%. Their earnings fell by 51.2%, thanks to Campeau. Moreover, their sales to earnings percentage dropped to 0.8% from 2.0%.

Slightly more than $40 out of every $100 not spent on cars, gasoline and food service, $43.60 to be exact, found their way into the coffers of the Exec 100. The retailing giants rang up $445.5 billion in annual sales.

Supermarkets totaled the largest portion of the Exec 100 pie. But their 33.3% slice actually represented a shrinking portion compared to their 34.7% in 1988.

Convenience stores led all industry segments in the percentage growth of sales representation in the Exec 100. Their 3.1% share equated to a 29.2% jump from a year ago.

Warehouse wholesale clubs grew by 20%; drug stores by 18%.

In apportioning the makeup of the Exec 100 retail pie, *Chain Store Age Executive* segregated the divisions of retail conglomerates according to their respective formats.

For example, Hannaford Bros. had its supermarket sales counted in that segment and its Wellby Super Drug Store division included in the drug store group. If actual divisional sales were not available, *Chain Store Age Executive* estimated the volumes.

Given the upheaval in retailing during the last few years, change within the composition of the Exec

Top 15 department stores

Company	1989 Sales (000 omitted)	Stores
1. May, St. Louis	$8,197,000	288
2. R.H. Macy, N.Y.C.	6,974,141	149
3. Federated, Cincinnati	4,867,200	132
4. Dillard, Little Rock	3,049,062	162
5. BATUS, Louisville	2,825,000*	94
6. Carter Hawley Hale, Los Angeles	2,787,393	113
7. Allied, Cincinnati	2,706,300	128
8. Nordstrom, Seattle	2,671,114	59
9. Mercantile, N.Y.C.	2,312,802	80
10. Belk, Charlotte, N.C.	2,010,000*	335
11. Dayton Hudson, Minneapolis	1,801,000	37
12. Neiman Marcus Group, Chestnut Hill, Mass.	1,282,900	23
13. P.A. Bergner, Milwaukee	1,240,000*	66
14. Woodward & Lothrop, Washington, D.C.	914,000*	31
15. Hess's, Allentown, Pa.	615,900	76

* *Chain Store Age Executive* estimate

Source: Annual reports/*Chain Store Age Executive* research

Top 15 drug store chains

Company	1989 Sales (000 omitted)	Stores
1. Walgreen, Deerfield, Ill.	$5,380,133	1,484
2. American Drug Stores, Oak Brook, Ill.	3,500,000	672
3. Eckerd, Clearwater, Fla.	3,200,000	1,630
4. Rite Aid, Shiremanstown, Pa.	3,172,797	2,352
5. Thrifty, Los Angeles	2,139,000*	780
6. Revco, Twinsburg, Ohio	2,700,000	1,870
7. Longs Drug Stores, Walnut Creek, Calif.	2,110,574	248
8. CVS, Woonsocket, R.I.	1,950,000	789
9. Hook-SupeRx, Cincinnati	1,730,000*	1,028
10. Pay Less Drug Stores, N.W., Wilsonville, Ore.	1,600,000*	294
11. Phar-Mor, Youngstown, Ohio	1,300,000*	165
12. Peoples Drug Stores, Alexandria, Va.	1,020,100	490
13. Thrift Drug, Pittsburgh	1,088,000	471
14. Perry Drug Stores, Pontiac, Mich.	669,605	215
15. F&M Distributors, Warren, Mich.	554,000*	75

* *Chain Store Age Executive* estimate

Source: Annual reports/*Chain Store Age Executive* research

Top 15 discount stores

Company	1989 Sales (000 omitted)	Stores
1. K mart, Troy, Mich.	$24,210,000	2,194
2. Wal-Mart, Bentonville, Ark.	20,969,786	1,402
3. Target, Minneapolis	7,519,000	399
4. Ames Dept. Stores, Rocky Hill, Conn.	5,065,000	690
5. Meijer, Grand Rapids, Mich.	2,800,000*	56
6. Fred Meyer, Portland, Ore.	2,284,535	125
7. Hills Dept Stores, Canton, Mass.	2,075,603	208
8. Bradlees, Braintree, Mass.	1,751,318	129
9. Caldor, Norwalk, Conn.	1,651,000	118
10. Rose's, Henderson, N.C.	1,507,560	259
11. Venture Stores, O'Fallon, Mo.	1,339,000	75
12. ShopKo Stores, Green Bay, Wis.	1,555,851	98
13. Jamesway, Secaucus, N.J.	871,548	130
14. Smitty's, Phoenix	755,000	24
15. Fedco, Santa Fe Springs, Calif.	720,000	12

* *Chain Store Age Executive* estimate

Source: Annual reports/*Chain Store Age Executive* research

Top 15 home center chains

Company	1989 Sales (000 omitted)	Stores
1. Home Depot, Atlanta	$2,758,535	118
2. Lowe's, North Wilkesboro, N.C.	2,650,500	296
3. Payless Cashways, Kansas City, Mo.	2,004,000	195
4. Builders Square, San Antonio	1,750,000*	141
5. Hechinger, Landover, Md.	1,229,572	107
6. HomeClub, Fullerton, Calif.	1,071,000	58
7. Grossman's, Braintree, Mass.	1,052,095	157
8. Wickes Lumber, Vernon Hills, Ill.	1,000,000	190
9. 84 Lumber, Eighty-Four, Pa.	800,000	334
10. Sutherland Lumber, Kansas City, Mo.	726,000*	92
11. Menard's, Eau Claire, Wis.	660,000*	45
12. Builders Emporium, Irvine, Calif.	630,000	108
13. Channel Home Centers, Whippany, N.J.	575,000	89
14. Scotty's, Winter Haven, Fla.	561,126	165
15. Rickel, South Plainfield, N.J.	503,000	50

* *Chain Store Age Executive* estimate

Source: Annual reports/*Chain Store Age Executive* research

100 is inevitable.

Seven companies failed to repeat on the list. Two, Grand Union and Carson Pirie Scott, were acquired and are part of bigger entities, Penn Traffic and P.A. Bergner, respectively.

The other five—CFM Franchising, DeMoulas Market Basket, Highland, Strawbridge & Clothier, and Woodward & Lothrop—failed to achieve the $1 billion sales mark that became the cutoff for this year's list.

Already changes can be guaranteed for the 1991 edition. BATUS has been dissolved, with Marshall Field going to Dayton Hudson, Ivey's to Dillard, and Saks Fifth Avenue to Investcorp.

In addition, Pace Membership is now part of K mart, while Imasco is selling People's drug stores to Melville. Grossman's and Wickes Lumber are both paring stores under reorganization plans that may well reduce their chances to be part of the Exec 100 next year.

Days ahead: The outlook for the full year 1990 is not encouraging. Sluggish sales will continue until interest rates ease later this summer, says Rosalind Wells, chief economist at the National Retail Federation.

While she forecasts improvement both in the economy and GAF stores beginning in the fourth quarter, Wells predicts that sales gains will lag behind last year.

She expects GAF sales increases of 5½% vs. 6% of a year ago. After accounting for inflation, real GAF sales will improve by 3% compared to 4¼% in 1989, says Wells. ■

Top 15 full price apparel chains

Company	1989 Sales (000 omitted)	Stores
1. The Limited, Columbus, Ohio	$4,647,916	3,168
2. Mervyn's, Hayward, Calif.	3,858,000	221
3. The Gap, San Bruno, Calif.	1,586,596	960
4. Petrie Stores, Secaucus, N.J.	1,257,522	1,569
5. U.S. Shoe, Cincinnati	1,234,500	1,771
6. Charming Shoppes, Bensalem, Pa.	808,637	1,013
7. Woolworth, N.Y.C.	735,000	1,628
8. Melville Corp., Rye, N.Y.	728,726	1,049
9. Hartmarx, Chicago	699,000	502
10. Eddie Bauer, Redmond, Wash.	600,000*	120
11. Edison Bros., St. Louis	594,300	1,330
12. Merry-Go-Round, Joppa, Md.	478,923	613
13. Talbots, Hingham, Mass.	452,800	156
14. United Retail Group, Rochelle Park, N.J.	400,000*	365
15. County Seat, Dallas	325,000*	375

Chain Store Age Executive estimates

Source: Annual reports/*Chain Store Age Executive* research

Top 15 supermarket chains

Company	1989 Sales (000 omitted)	Stores
1. Kroger, Cincinnati	$19,103,671	2,190
2. American Stores, Salt Lake City	18,504,154	1,359
3. Safeway Stores, Oakland, Calif.	14,324,600	1,261
4. A&P, Montvale, N.J.	11,147,997	1,215
5. Winn-Dixie Stores Jacksonville, Fla.	9,151,145	1,229
6. Albertsons, Boise, Idaho	7,422,663	523
7. Supermarkets General Holdings, Carteret, N.J.	5,795,748	214
8. Publix Super Markets, Lakeland, Fla.	5,385,246	367
9. Vons Cos., El Monte, Calif.	5,220,700	328
10. Food Lion, Salisbury, N.C.	4,717,066	663
11. Ahold USA, Parsipanny, N.J.	4,057,000	342
12. Giant Food, Landover, Md.	3,248,942	149
13. Stop & Shop Cos., Braintree, Mass.	2,884,713	117
14. Penn Traffic Co., Johnstown, Pa.	2,699,847	544
15. Ralphs Grocery, Compton, Calif.	2,556,100	142

Source: Annual Reports/*Chain Store Age Executive* research

Top 15 hard lines chains

Company	1989 Sales (000 omitted)	Stores
1. Toys "R" Us, Paramus, N.J.	$4,337,830*	478
2. Tandy, Fort Worth	4,180,703	7,337
3. Circuit City, Richmond, Va.	2,096,588	149
4. Sherwin Williams, Cleveland	1,346,000	1,896
5. Western Auto, Kansas City, Mo.	1,200,000*	356
6. Barnes & Noble/B. Dalton, N.Y.C.	1,200,000*	1,200
7. Waldenbooks, Stamford, Conn.	1,000,000*	1,324
8. Highland Superstores, Plymouth, Mich.	924,674	93
9. Silo, Philadelphia, Pa.	885,000*	206
10. Child World, Avon, Mass.	830,269	174
11. Pep Boys—Manny, Moe & Jack, Philadelphia, Pa.	798,691	281
12. Kay-Bee, Pittsfield, Mass.	723,898	777
13. Herman's, Carteret, N.J.	709,000*	270
14. Northern Automotive, Phoenix	650,000*	828
15. Lechmere, Woburn, Mass.	650,000	18

Chain Store Age Executive estimate

Source: Annual reports/*Chain Store Age Executive* research

Top 15 convenience chains

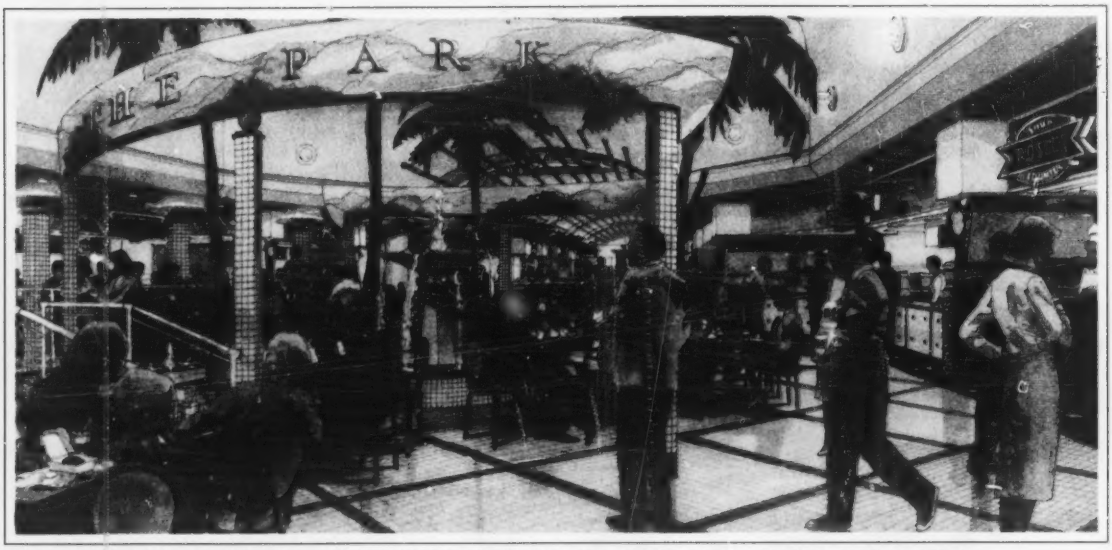
Company	1989 Sales (000 omitted)	Stores
1. Southland Corp., Dallas	$8,274,900	5,632
2. Circle K Corp., Phoenix	3,493,107	4,685
3. Emro Marketing, Springfield, Ohio	1,250,000*	1,682
4. National Convenience Stores, Houston	1,072,507	1,142
5. CFM Franchising, Rosemont, Ill.	875,000*	1,120
6. Cumberland Farms, Canton, Mass.	800,000*	1,150
7. Dairy Mart, Enfield, Conn.	716,859*	1,133
8. Fast Fare, Baltimore	663,000*	578
9. Conoco Oil, Houston	630,000*	535
10. BP America, Cleveland	600,000*	850
11. Wawa, Wawa, Pa.	534,000*	450
12. Racetrac Petroleum, Atlanta	510,000*	300
13. Convenient Industries of America, Louisville, Ky.	500,000*	273
14. Coastal Mart, Houston	450,000*	850
15. Quick Trip, Tulsa	450,000*	268

Chain Store Age Executive estimate

Source: Annual reports/*Chain Store Age Executive* research

FLORIDA PLAYS A WAITING GAME

ENVIRONMENTAL AND FINANCIAL FACTORS IMPEDE EXPANSION



***Robert B. Aikens & Associates is remodeling** Panama City Mall to accommodate a growing, fashion-conscious market.*

Lack of sites. Vacancy. The credit crunch. Concurrency. All have conspired to transform the former boom land of northern Florida into yet another hard-to-develop area.

Perhaps the greatest problem, as elsewhere in the U.S., is the simple fact that where projects could be built, they already have been built. At the same time, there just aren't enough viable tracts for developing many more new shopping centers. Many vacant areas have ecological difficulties, with wetlands a common problem.

Meanwhile, not all existing projects are fully leased, due to a variety of factors. Some centers, built in the heady days of the mid-1980s, are poorly located, poorly built or underfinanced. Others suffer from problems out of their control, such as the uncertain anchor situation.

Rocky Hill, Conn.-based Ames recently announced its plan to pull out of Florida entirely, leaving more than 80 sites empty around the state. While the entry of Target into the market bolsters the retail picture somewhat, many developers with an empty anchor are forced to play a waiting game.

"Lots of plans end up on hold. It's almost a shell and pea game," says James W. Roberts Jr., president of Tampa-based Roberts & Associates Southeast.

It was an earlier entry into the market that now makes some builders gun-shy. "The entry of Food Lion into the market encouraged too much building. We now have inordinate vacancy across the board, maybe up to 20%," says Robert L. Gittings, sales manager, Walter Dickinson Inc., Jacksonville.

Most of the vacancy may be the developers' responsibility, particularly in a still-growing area such as Ocala, believes Alan Goldberg, president of Property Systems Inc. (PSI), Fort Lauderdale.

"The market is soft, but not as a result of overbuilding. Centers are not well leased because of bad layouts or location, or because they're unanchored," Goldberg says.

Lenders are hesitant: Perhaps because of the absorption factor, as well as their own financial troubles, lenders are as tight with funding in Florida as anywhere in the U.S.

"We can get some money, but it's tough. Lenders are looking for as much pre-leasing as they can get," says Park Grimmer, vp, Grimmer Realty, Birmingham. The firm is building a 135,000-sq.-ft. strip in Destin, between Panama City and Pensacola.

Florida developers must also deal with the state's unique concurrency law, which mandates that new construction cannot begin without the prerequisite improvements in place. Building has come to a virtual standstill in some already-developed areas.

David V. Andrews, vp-commercial marketing, the Mitchell Co., Mobile, Ala., notes that the law was needed in some regions where "10 people may be living on five people's water. Concurrency may have gone overboard in some small areas, but it probably should have been done 10 years ago in Orlando, Dade County and Palm Beach," Andrews says.

Northern Florida

1989 retail sales: $29,820,293,000
1989 population: 4,416,616
1994 population: 4,961,858
1989 median household income: $23,432
1994 median household income: $29,058

Source: Donnelley Marketing Information Services

"The first five horses are gone, but five are left, so we have to close the door to keep them in. We have to be concerned with the quality of life five and 10 years from now," Andrews adds.

"Concurrency is creating the equivalent of a moratorium on building. But if you happen to have a good piece of developable land," the value is even greater, Goldberg says.

Yet developers continue to search for land in the Sunshine State. And some developers continue to find viable sites.

Major mall activity is underway in Jacksonville, with the soon-to-be completed Mall of the Avenues, built by Edward J. DeBartolo Corp. and CBL & Associates (*Chain Store Age Executive*, May 1990).

Still in the planning stages is another regional mall by Montgomery, Ala.-based Aronov. Peripheral development, including a 400,000-sq.-ft. power center being built by PSI near the Mall of the Avenues, also continues.

The city is, in fact, at the tail end of a building boom over the last 18 months, with vacancy still a problem in some areas.

Another reason for some vacancy may be the topography of the city. Consumers still tend to not cross natural boundaries such as mountains or rivers.

"Jacksonville is a sectional city, and very widespread. There is one market on one side of the [St. John's] river, and another on the other," says Theresa Birchett, manager/marketing director of Atlanta-based Carter & Associates' Riverplace, which opened in fall 1989.

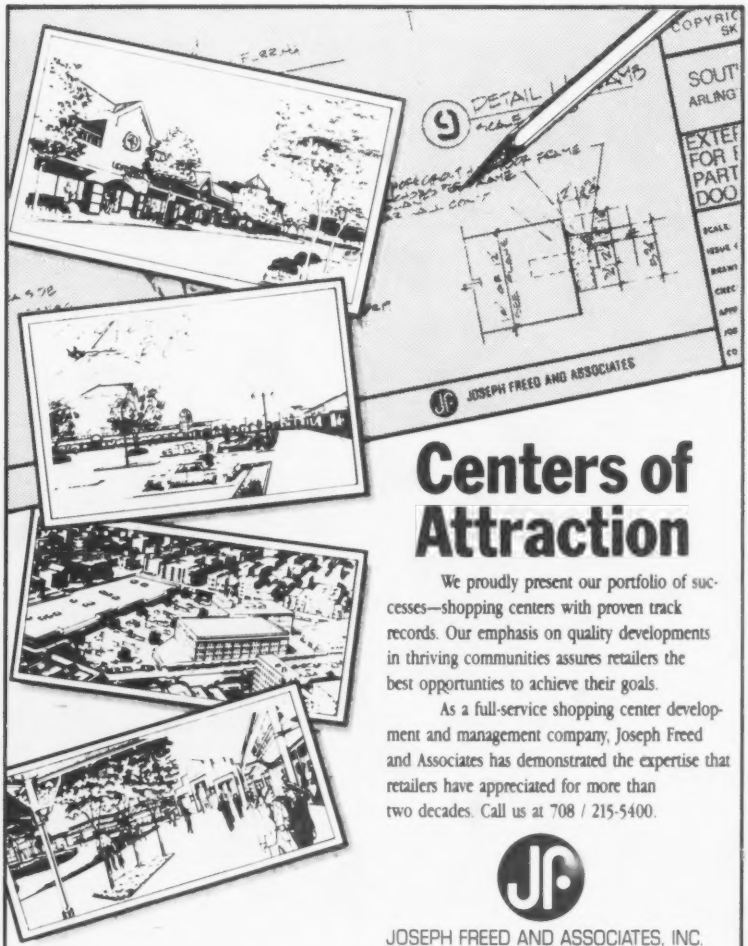
"Jacksonville started its building late. It has tremendous water resources, with the ocean, and the river, but to most parts of Florida, Jacksonville is an extension of Georgia," Roberts says.

The neglected St. Augustine region will get its first outlet center with the opening of St. Augustine Outlet Center.

"There's no other significant manufacturer's outlet project in the market. In fact, there's little other conventional retail," says Kenneth Morin, director of leasing at the Sembler Co., St. Petersburg, the project's developer.

On the Gulf Coast: The Panama City and Pensacola markets on the Gulf Coast are a bit busier than state capital Tallahassee, located inland.

Troy, Mich.-based Robert B. Aikens & Associates is remodeling its Panama City Mall, both to update its look and accommodate a growing



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Jacksonville Metropolitan Statistical Area

1989 retail sales: $6,422,070,000
1989 population: 909,648
1994 population: 1,004,777
1989 median household income: $27,250
1994 median household income: $34,169

Source: Donnelley Marketing Information Services

NORTHERN FLORIDA DEVELOPMENTS

Edward J. DeBartolo Corp.:
The Mall of the Avenues, 1,200,000 sq. ft., Jacksonville: opening fall 1990.
Joint venture with CBL & Associates
Crystal River Mall, 486,000 sq. ft., Crystal River: opening October 1990
Highland Lakes Center, 489,000 sq. ft., Orlando: In planning stage; no opening date set

Schroder Center Management:
Orlando Fashion Square, 920,000 sq. ft., Orlando: Renovation and expansion to be completed fall 1991

Grimmer Realty:
Emerald Coast Centre, 135,000 sq. ft., Destin: Phase 2 to be completed April 1991

Robert B. Aikens & Associates:
Panama City Mall, 650,000 sq. ft., Panama City: Renovation and food court expansion to be completed spring 1991

The Sembler Co.:
St. Augustine Outlet Center, 226,000 sq. ft., St. Augustine: Phase 1 to be completed November 1990

The Mitchell Co.:
To be named, 170,000 sq. ft., Titusville: Now in approvals; scheduled for a fall 1991 opening

Bay Plaza Cos.
Bay Plaza Waterfront Retail District, 2,080,000 sq. ft., St. Petersburg: Phase 1 of mixed-use project opening October 1990

Carter & Associates:
RiverPlace, 236,000 sq. ft., Jacksonville: Most recent phase opened March 1990

Angeles Real Estate:
Plaza of the Oaks Shopping Center, 187,000 sq. ft., Port Richey: Now leasing two anchors

Colonial Properties:
Altamonte Crossing, 300,000 sq. ft., Altamonte Springs: opening summer 1991

Property Systems Inc.
Westland Park Plaza, 120,000 sq. ft., Jacksonville: Planning to add 60,000 sq. ft.
Southside Square, 400,000 sq. ft., Jacksonville: Groundbreaking this fall for a fall 1991 opening

market, says Laurie Bippus, corporate marketing director. The center will become slightly more fashion-oriented, Bippus says.

The firm also recently remodeled its Cordova Mall in Pensacola.

"Pensacola is turning around a bit. It's a tough market, but now starting to come around," says Susan Hampel, vp, director of marketing of Atlanta-based New Market Development. The firm recently renovated Cordova Commons, near the Aikens mall.

Destin, between the two markets, is a growing resort area, Grimmer says. "Destin has become a big year-round resort area, with a strong economy 10 months of the year," Grimmer says.

Gainsville is slow all around, however. "The city is seeing very little activity. It's hard to develop. There isn't a lot of land around, and the planning boards go by the book," says Marc Milgram, president, the Florida Shopping Center Group, Miami.

"Crystal River is a growing area, with a fairly good mix—some retirees, some snowbirds. It's also the home of the manatee, which is a big tourist attraction," says Greg Eroe, corporate director of marketing at Don M. Casto Organization, Columbus, Ohio. The firm owns the 87,000-sq.-ft. Crystal River Shopping Center.

Shifting demographics may also provide new opportunities—eventually. "Port Richey had been a retire-

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ment community. Now there's an upswing of younger people entering the area to run the services for them," says Randy Dallman, senior leasing representative at Los Angeles-based Angeles Real Estate.

The growth of the area has spurred the expansion of roads by the firm's Plaza of the Oaks Shopping Center.

Farther south, DeBartolo is building another regional mall to open later this year in Crystal River, on the Gulf Coast.

Inland, the Orlando market has seen so much building that absorption is the main goal for now.

Many centers, including New York City-based Schroder Management's Orlando Fashion Square, are remodeling or expanding.

New development appears to favor promotionally-oriented projects. Birmingham, Ala.-based Colonial Properties is now building a 300,000-sq.-ft. center anchored by Target and Home Depot in nearby Altamonte Springs.

"This spot is one of the last sites in Florida," says John Moss, vp-retail.

Most developers believe that the tide will eventually turn. "The business is cyclical, and always will be," Gittings says.

"I'm not as big a pessimist about overbuilding, but I'm not saying you don't have to be cautious. Retailing is soft. Some companies will be slower to make decisions regarding expanding," Goldberg says.

"The process just takes longer. If you have a good, well-founded project, it can get done," Andrews says. ■

Orlando Metropolitan Statistical Area

1989 retail sales: $7,117,677,000
1989 population: 982,150
1994 population: 1,123,284
1989 median household income: $27,566
1994 median household income: $34,115

Source: Donnelley Marketing Information Services

EMERALD COAST CENTRE
DESTIN FLORIDA

Phase I of Emerald Coast Centre, which includes a 72,000 sq. ft. Wal-Mart, was completed on November 8, 1989. Construction on Phase 2 will begin this summer and will be ready for occupancy in the Spring of 1991. It will include a 45,000 sq. ft. Food World and 15,000 sq. ft. of small shops.

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MIS BUDGETS CONTINUE TO RISE

BIG GAINS IN EDI SHOWN IN EXEC'S FIRST JOINT POLL WITH ERNST & YOUNG

***Sixty-six percent of retailers** are now making use of some type of scanning technology.*

Retailers spent more on Management Information Systems (MIS) in 1989 than they did in 1988—both in total spending and as a percent of sales.

Further, more retailers than ever are now making use of scanning technologies and communicating with their vendors via Electronic Data Interchange (EDI).

These are among the findings of the first annual survey of retail information technology expenses and trends sponsored jointly by *Chain Store Age Executive* and the accounting firm Ernst & Young.

Prior to this year, Ernst & Young had been surveying MIS executives annually for eight years, and *Chain Store Age Executive* had been conducting a poll of its own for two years.

> Respondents represent a total sales volume of $156 billion

Then, last January, the two companies began talks about pursuing the survey in cooperation with each other. By March, a jointly-produced survey form was printed and mailed to retail MIS executives throughout the country.

The results far exceeded expectations. Responses were received from 157 companies, more than double the response rate that either survey had achieved the previous year.

The 157 companies represent a total sales volume of $156 billion, for an average of nearly a billion dollars each.

Included among these companies are 16 department stores, 16 mass merchants, 22 specialty apparel chains, 36 specialty hardline chains, and 18 supermarket retailers.

The size of the response rate makes

it possible to examine data not only by size of company and by class of trade—but also, for the first time, by size of company *within* each class of trade.

A complete report on the survey's findings will appear as a 40-page supplement which will be mailed with the upcoming October issue of *Chain Store Age Executive*. At press time, the raw data was still being analyzed, but some of the early findings include:

Expenses: The 157 respondents spent a total of $808 million on MIS in 1989, compared to $729 million in 1988, for a gain of 10.89%. As a percent of sales, too, spending gained—0.85% in 1989 against 0.80% in 1988, for a rise of 6.25%.

Only department stores saw a decline in their spending both in the dollar and percent-of-sales comparison. Meanwhile, mass merchants posted a 9.21% gain in the percent-of-sales comparison, and a whopping 16.14% gain in actual dollars.

Payroll, taxes and benefits claimed the lion's share of MIS spending for all classes of trade except mass merchants, who spent more on communications (28%). Supermarkets, by contrast, spend only 4% of their budgets on communications.

Compensation: The average pay for a director of MIS was $66,306 in 1989. Highest average salaries, approaching $70,000 or more, were in the mass merchant and specialty apparel classes of trade. Lowest compensation was in supermarkets, which showed an average salary of $58,555.

The average number of full-time employees in a retail MIS department was 57. The largest staffs were in department stores, which had an average of 153 employed. The smallest staffs were at specialty hardlines stores, with 25 employed.

The organization of the average MIS department is 27% management, 73% staff. Forty-three percent of personnel within the department concentrate on systems development, 14% on technical support, 37% on computer operations, and 6% on administration.

Use of scanning: Sixty-six percent of retailers are now making use of some type of scanning technology. The biggest users are mass merchants, specialty apparel stores and supermarkets—all are heavily scanned at the point of sale, and the former two are substantially scanned in the warehouse as well.

The most popular type of scanner is the hand-held variety, except in supermarkets, where the fixed-head stationary type has established a stronghold. In all but department stores and specialty apparel stores, wands are virtually unknown.

In all classes of trade, UPC-A remains the most commonly-used type of bar code (58%). Code 128 and Interleaved 2 of 5 tie for a distant second place (10%).

EDI: Thirty five percent of companies are now using EDI. This is a significant gain from last year, when the

Use of EDI technology

	All respondents	Dept.	Mass merch.	Specialty apparel	Specialty hardlines	Supermarket
Now using	35%	42%	58%	35%	38%	25%
Not using	65	58	42	65	62	75

Source: Ernst & Young

Use of bar code and scanning technology

	All respondents	Dept.	Mass merch.	Specialty apparel	Specialty hardlines	Supermarket
Now Scanning	66%	50%	100%	82%	36%	94%
At POS	46	29	93	41	20	94
In warehouse	29	21	57	53	20	17
In store	20	7	43	12	—	50

Source: Ernst & Young

Applications in POS/in-store systems intended for improvement/development within two years

	All respondents	Dept.	Mass merch.	Specialty apparel	Specialty hardlines	Supermarket
COMPANY-WIDE						
Inventory control	68%	64%	69%	42%	75%	60%
Merchandise planning	62	57	44	74	72	67
Purchase order management	58	64	56	37	64	47
EDI	57	57	75	74	50	40
Sales reporting	54	21	44	47	56	53
Forecasting	54	36	50	47	61	53
Open to buy	48	71	50	58	50	13
Accounts payable	48	29	31	37	56	40
Executive information systems	45	43	44	58	50	47
Sales audit	43	36	19	47	56	27
Human resources	33	36	13	47	28	33
Payroll	31	21	0	32	17	47
Quick Response	31	43	69	37	22	13
IN-STORE						
Store receiving	51	43	38	42	61	67
Price changes	50	64	31	63	42	60
Wanding/scanning	49	57	19	53	67	47
Price look-up	46	50	25	68	36	47
Inventory availability	45	36	25	42	50	47
Electronic mail	43	7	44	37	36	40
Timekeeping	41	21	25	53	28	67
Labor scheduling	40	36	50	53	22	73
Promotional price look-up	38	43	6	37	33	33
Store ordering	38	7	38	16	44	60
Transfers	38	50	25	53	36	13
Sku sales capture	34	50	19	21	31	47
Check approval	31	21	31	32	19	47
DISTRIBUTION CENTER						
Receiving	49	57	31	47	56	27
Picking	34	14	50	42	33	13
Ticketing	30	36	38	21	31	7
Putaway	27	14	38	32	22	13
Receipt planning	25	29	25	42	25	13
Labor scheduling	24	7	50	37	17	27
Slot management	23	14	44	5	14	27
Store billing	18	7	13	11	19	27
Wave planning	13	7	25	5	11	7

Source: Ernst & Young

Electronic cash registers *and programmable cash registers are the favored types of POS devices.*

survey found that 26.5% of retailers had EDI in place, but 40.8% were planning to use it within 18 months.

Most retailers using EDI cited shortening the reorder fulfillment cycle as the primary reason (39%). Other reasons cited were reducing inventory levels (24%), improving the accuracy of data (21%), gaining a competitive edge (20%), and reducing expenses (18%).

The VICS/ANSI X.12 communication format has established itself as the leading EDI format in all classes of trade. The exception is supermarkets, where the Uniform Communication Standard (UCS) is favored.

Most retailers are purchasing packaged EDI software, or software provided by a third party network. Relatively little (26%) is developed in-house.

POS systems: Electronic cash registers (36%) and programmable cash registers (46%) are the favored types of POS devices. Mechanical cash registers (3%) are all but extinct. About 25% of mass merchants use handheld terminals at the POS.

About 12% of retailers said they installed their present POS system more than 10 years ago; 16% said it is 6-10 years old; and 46% said theirs is 2-6 years old.

Twenty-nine percent of retailers said they plan to migrate their in-store systems to a platform independent, UNIX-based environment. These plans were particularly prevalent among supermarkets (47%) and mass merchandisers (38%). Only 10% of specialty apparel stores mentioned such plans.

Emerging technologies: Up and coming applications which retailers plan to implement in the years ahead include signature verification systems (3%), frequent buyer programs (39%), electronic shelf tags (12%), wireless POS devices (16%), interactive promotional video displays (11%), electronic aisle billboards (3%), self-service merchandise dispensing systems (1%), imaging systems (21%), interactive voice response systems (12%), and expert systems (26%). ■

—Bruce Fox

Types of scanners used among companies now scanning at POS

	All respondents	Dept.	Mass merch.	Specialty apparel	Specialty hardlines	Supermarket
Hand-held	64%	78%	79%	88%	80%	11%
Stationary	46	22	57	—	30	100
Wand	9	22	7	13	—	6

Source: Ernst & Young

Applications of hand-held terminals in store

	All respondents	Dept.	Mass merch.	Specialty apparel	Specialty hardlines	Supermarket
Ordering	31%	—	50%	—	12%	94%
Physical inventory	27	15%	44	17%	23	31
Price verification	21	—	50	—	8	69
Store receiving	17	—	31	11	8	50
Price changes	8	—	13	—	8	31
Sales recording	8	—	6	6	—	19
Don't use hand-helds	48	85	13	67	73	6

Source: Ernst & Young

Breakdown of MIS Budgets

	All respondents	Dept.	Mass merch.	Specialty apparel	Specialty hardlines	Supermarket
Payroll/taxes/benefits	31%	37%	21%	39%	42%	41%
Hardware/software depreciation	19	28	10	26	28	38
Supplies, rental and maintenance	11	9	1	20	19	25
Communications expense	19	15	28	4	4	4

Source: Ernst & Young

JUNE PROMOTIONS NET LACKLUSTER RESULTS

BUT SPECIALTY APPAREL STORES TURN IN HEFTY GAINS

Sales results for most of the nation's top retailers were restrained and sluggish in June, as lower prices and special promotions failed to create more than small rebounds.

Specialty apparel stores were the shining exception to the rule. The major gains they have posted since the beginning of the year continued unabated.

The Gap showed a 31.5% overall increase, to $167 million, for the month. Its comparable-store increase was 24%. At Merry-Go-Round, sales climbed 33.5% to $46.2 million. Same-store sales rose 29%.

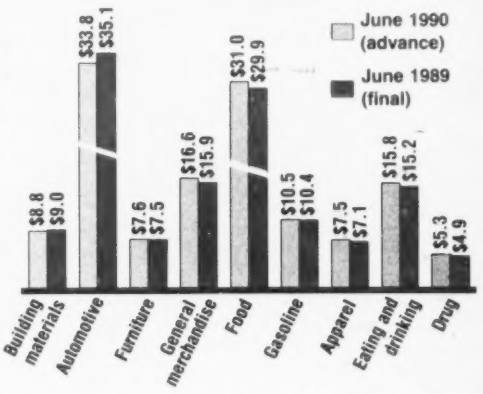
Among discount stores, Wal-Mart kept up its strong pace with a 28.5% sales gain, to $2.6 billion. Same-store sales rose 14%.

Sales at Sears picked up after a dismal May, but were still unimpressive. The nation's largest retailer posted a June gain of 3.5%, after a 0.9% increase in same-store sales the previous month.

Analysts say the current retail doldrums can be attributed to consumers losing confidence in their financial security and becoming more wary about spending.

JUNE SALES

(Seasonally adjusted, figures in billions)



Source: U.S. Department of Commerce

CHAIN PERFORMANCE

Company	June '90 sales (000)	% change	% change comp. stores	YTD sales (000)	% change YTD	% change YTD comp. stores
Sears	$3,256,959	+ 3.7	+ 3.5	$13,574,170	+ 2.2	+ 2.7
K mart	3,079,057	+13.7	+ 4.3	12,560,649	+12.4	+ 2.9
Wal-Mart	2,614,000	+28.0	+14.0	11,909,000	+26.0	+12.0
Penney	1,414,000	+ 5.8	+ 4.4	6,098,000	+ 4.9	+ 3.6
Dayton Hudson	1,260,000	+11.8	+ 5.1	5,170,000	+11.9	+ 5.9
May	871,600	+ 8.0	+ 3.2	3,785,100	+ 9.7	+ 5.0
Melville[1]	735,144	+13.5	N/R	3,701,234	+11.4	N/R
Walgreen[1]	494,811	+11.0	+ 7.8	2,976,048	+12.5	N/R
Woolworth	474,000	+ 8.7	+ 4.9	2,099,000	+ 8.6	+ 5.5
The Limited	446,000	+15.0	+ 5.0	1,913,000	+15.0	+ 9.0
Carter Hawley Hale	246,600	+ 1.0	+ 0.5	1,038,300	+ 0.7	+ 0.2
Mercantile	192,682	+ 2.4	+ 1.9	869,736	+ 2.3	+ 1.9
Circuit City[2]	184,600	+23.0	+ 6.0	N/R	N/R	N/R
Hills	163,200	+ 2.1	+ 0.5	752,800	+ 7.7	+ 4.3
The Gap	167,000	+31.0	+24.0	693,000	+24.0	+17.0
Rose's	116,195	+ 7.7	+ 5.1	610,893	+ 6.0	+ 3.4
Neiman-Marcus Group[3]	142,400	+ 8.4	+ 5.4	1,573,500	+13.6	+ 8.9
Edison Bros.[1]	101,800	+18.6	N/R	433,500	+15.0	N/R
Jamesway	98,548	+19.0	+12.0	166,353	+11.0	+ 4.0
Ross	73,000	+11.0	N/C	304,000	+ 7.0	− 3.0
Dollar General	46,400	+ 3.0	− 1.9	234,200	+ 2.3	− 2.4
Best Buy[4]	55,000	+25.0	+ 5.0	181,000	+21.0	N/R
Gottschalks	24,000	+29.1	+12.4	94,983	+23.5	+12.1
Claire's	20,610	+45.0	+12.0	91,070	+51.0	+15.0

[1]fiscal year ends Dec. 31 [2]fiscal year ends Feb. 28 [3]fiscal year ends July 31 [4]fiscal year ends Mar. 31
N/R = not reported

Source: Company reports

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